

MEMORANDUM FOR: Executive Director-Comptroller

THROUGH : Deputy Director for Support

SUBJECT : Senior Succession

1. We have only five or so years to plan and act before the impact of the retirement age hump is upon us, and I think it is timely for Agency management to take positive action to prepare for the future.

2. I think the Agency will come through the period of stress with favorable results only if the Director and the Deputy Directors become and remain truly knowledgeable of the problem and are convinced that a positive and thoughtful program of action is essential.

3. I commend for your study the attached paper on the subject. It suggests that it is extremely important that the Agency study its succession problem now and in detail and take action to prepare sufficient numbers of persons in the GS-12 and GS-13 levels to effectively replace those in the GS-14 through GS-18 levels who will soon be lost. Its purpose is to show the problem the Agency faces, to generate concern, and to indicate the ways in which the Office of Personnel is prepared to assist each Directorate and Career Service therein to analyze and understand its problems of succession.

4. I would like to see a program of "succession" planning and development initiated by a charge from the Director being placed with each of the Deputy Directors together with a semi-annual progress reporting requirement. I would expect the Office of Personnel to play a substantial role in developing a basic framework within which each Directorate and Career Service would carry on its effort.

5. In the event you may wish to hold preliminary discussions on the subject with the Deputy Directors or other officials, I am sending you multiple copies of our basic paper on the subject of succession. No further distribution is planned until I hear from you as to how you may wish to proceed.



C Emmett D. Echols  
Director of Personnel

Atts.

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THE SUCCESSION PROBLEM IN CIA 20 DEC 1967

SUMMARY OF INITIAL REPORT

A looming succession problem requires Agency-wide study and the involvement of management at all levels if we are to pinpoint and solve it.

Even in advance of detailed analysis, our findings indicate an Agency-wide problem of accelerated personnel losses in the Grades 14 through 18 (Retiree Group) which will echo downward through other employee groups.

1. The Agency will lose in the next ten years over one-half of its personnel in Grades GS-14 through 18. Although numerical losses in the DDP Group will be higher than those in the DDI and DDS Groups, in terms of a reduction of the total on-duty strength in these Grades, the DDS Group will be hit the hardest (77%) and the DDP Group the least (34%) excluding the O/DCI.
2. Over four-fifths of the employees presently in Grades 12 and 13 will leave these Grades in the next ten years because of separations and movement upward (on the assumption that they will be used to fill higher grade vacancies). The shrinkage of personnel in the GS-12 and GS-13 grade groups in the next ten years will be felt the most in the DDS&T (100%) excluding the O/DCI and the least in the DDP (55%).

The implications of these data should be analyzed in detail within the Career Services, including an assessment of the effects of accelerated personnel losses in the senior Grades upon the Back-up Group (GS-12s and 13s); the Intermediate Group and the Entry Group. For example, it may be anticipated that future decisions concerning the number and qualifications of new professional hires will depend significantly on the results of the succession studies in the Career Services.

We want to assure top management that the succession problem will be systematically studied throughout the Agency, using a tailored plan of analysis which each Directorate feels best suited to its area. Possible items of study include: a quantitative assessment of who is departing from the senior grade groups in the next 5 and 10 years and who is staying in the Back-up Group; the qualifications and lack of qualifications of the Back-up Group to take over; the feasibility of assisting Career Services to construct models of the qualifications they prefer for senior and managerial personnel to have; the feasibility of OP providing management profiles showing the managerial qualifications actually possessed by individuals identified for this purpose by the Career Services (as related to the managerial norms in the Career Service models); and the desirability of modifying our personnel evaluation system to include factors for reporting on managerial potential. (See TAB B for the total list of possible study items.)

In making our studies we will be guided by the following beliefs:

1. No elite concept is wanted in this Agency.
2. No formal individual career plans are desirable.
3. The role of Career Services should be retained and strengthened, if possible.
4. An Agency-wide succession program cannot be a canned program and must be constructed in the context of the Agency's problems.

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### PRESERVING AGENCY PROFESSIONALISM

The very things that made possible the recent celebration of our twentieth anniversary, such as professional experience, skills and substantive expertise, are permanent only as values; as assets, they are perishable and need to be constantly replenished within a dimension of time which will assure the perpetuation of both the quality and quantity of our personnel.

It is difficult to resist the urge to call ourselves and our problems unusual, but few would question the complexities of some of our personnel staffing problems. It is sufficient to mention here some of the factors that bear on the problem of maintaining a continuity of professionalism, in this Agency, even as some of the adverse effects of maturity begin to appear. To mention some examples, the Agency has a greater range of occupational requirements than almost any other governmental organization; this diversification of occupational needs complicates our attempts to plan the types and amounts of employees that should be brought in at a given rate, in order to balance accelerating losses caused by retirements and aging; the frequently conflicting demands within the Agency for technical talent versus generalist personnel are harder to resolve in CIA than in agencies having only a few types of professional requirements; CIA must do its own recruiting, rather than turn to rosters of available personnel; and we must substantially grow within house our own talent. This latter point deserves special emphasis. Acquiring technically-qualified people is only a prelude to providing Agency instruction in the basic knowledge and skills, of our work, e.g., there is no DDP college or tradecraft curriculum available in the academic community. Although comprehensive training is particularly important in this Agency as the means for qualifying personnel to undertake assignments, "professionalism" is best maintained by employees doing a variety of jobs over a period of time. The impending acceleration of personnel losses therefore must be offset if the desired goal of maintaining the current level of professionalism in this Agency is to be achieved.

Loss of managerial and professional strength has not been a major problem in the past. As the Agency grew, we built acceptable programs of compensation, selection, individual career development, training, Career Service monitoring, employee recognition, employee incentives, employee benefits and special programs adapted to the needs then existent. During the formative years, emphasis was placed upon supporting line managers and fixing formal responsibility, through the career structure, at the basic levels of personnel management and decision-making. Our policies and structures have proved their effectiveness as appropriate means for continuing to do personnel business. But, with the advent of the succession problem, we now face a dilemma that will require the continuing attention and involvement of both top management and all working levels, especially the Career Services, if we are to pinpoint and solve it.

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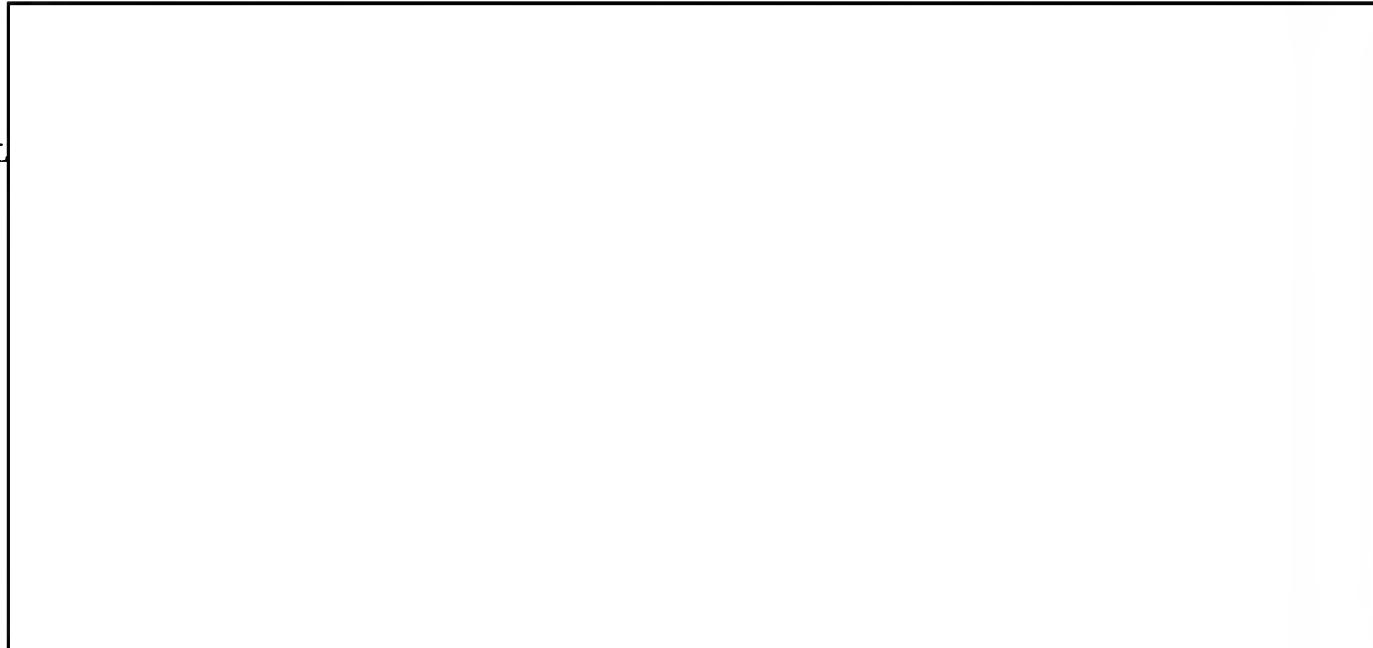
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#### HIGHLIGHTING THE SUCCESSION PROBLEM

Even in advance of a detailed study on the accelerated personnel losses expected to occur in the future, it is possible to illustrate how the succession tempo will quicken perceptibly in the next five years and substantially during the next 10 years. The ripple effects unleashed down through an organizational structure by key appointments is well known. Our concern in this report is the phenomenon of expected migrations outward from the Agency and upward through its ranks brought on by accelerated losses. Top management in viewing the succession problem must look not only to filling key vacancies but to the problems which will be engendered at all echelons of employees, starting with the Retiree Group (especially those in professional and managerial positions) and extending down into the Back-up Group (GS-12s and GS-13s who will be around to take over, whether qualified or not); the Intermediate Group (middle to senior, non-managerial professionals, expected to surge upward to fill the jobs vacated by the Back-up Group when it moves forward); and the Entry Group (whose pace, number and required skills are affected by the momentum of accelerated personnel losses felt throughout the entire organization).

A quantitative impression of the timing and size of future losses and the possible adverse effects within the Agency can be gained from the following information:

1. In the next 10 years (CY 1967-1976), the Agency will lose over one-half of its senior personnel (GS-14 - 18) through separations and retirements:



- .3. More meaningful than the actual number of expected losses in senior professionals within the Directorates is the expected depletion in the

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First in importance from the standpoint of clarifying the purpose of the study is our belief that an elite concept is not wanted in this Agency, either as a formally stated policy or as a de facto circumstance, that would be expected to ensue from proposals put forth. The argument against an elite corps of successors does not deny the need for Career Services to identify individuals with the potential for advancement; for no program of managerial or professional development can be carried out unless deserving employees can be identified for assistance and observation in different situations. In fact, Career Services have as a primary role the assignment, training, recognition and advancement of personnel under their jurisdiction, and they will continue to perform these responsibilities, irrespective of whether or not future needs arising from the succession problem are even consciously considered as a part of these determinations.

Our belief is that today's decisions on personnel assignments and training should take into account not only the capability of qualified and available individuals to fill these jobs or training slots but also the developmental needs of possible candidates which should be met in order that they can perform more useful service tomorrow. We do not advocate, however, the establishment of an in-group for preferential treatment. On the contrary, we view the problem as primarily one of emphasizing the professional development of a sufficient number of people to fully meet the totality of the expected succession problem within each Career Service. Our bias would favor the planning of assignments and training of all personnel in the Back-up Group GS-12 and above except, perhaps those ruled out by a Career Service. If this were done, the resultant effect should be a rounding-out of personnel in the areas where they are deficient or inexperienced (e.g., staff versus line or overseas versus Headquarters). These planned arrangements if structured in terms of Career Service needs should maximize alternative choices for the future take-over of more complex professional and managerial responsibilities.

Second, we do not advocate a formal approach providing for the formulation of career plans tailored to the expressed interests of individual employees. It does not fit the concept of "bringing along" personnel to fill the vacuum of more responsible assignments anticipated in the future, and it is not considered administratively feasible or workable. Earlier attempts to prepare individual plans and coordinate individual agreements on future progressions and/or assignments proved fruitless, and no resurrection of such a system would be acceptable in our judgment, to the Agency.

Third, from the tenor of previous remarks, it should be clear that we believe the Career Services should retain unimpaired their vital role. We urge only an assessment of the highlights of the succession problem in each Career Service and the measured introduction of tomorrow's needs in today's decision-making. Nothing more is envisaged except the recommendation of any Agency-wide policy changes that may be necessary to ensure top management that continuity of professionalism will be maintained in the future at all age and grade groups. The Office of Personnel sees for itself a supporting role in working with the Career Services to analyze the succession problem in a systematic way throughout the Agency.

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Fourth, we have hammered the point and will therefore only reiterate that an Agency-wide succession program cannot be a canned arrangement. Having made this point, however, we would like to note that most succession programs installed elsewhere, principally in industry, tend to reflect certain common characteristics conducive to success or failure. (For a summary of these common features see TAB A.)

#### DETAILING OUR SUCCESSION STUDIES

We have demonstrated in general terms that CIA will face an Agency-wide succession problem, but this we already expected. What specific ramifications will result throughout the Agency from accelerated personnel losses is the real question, and the answers to this question will give us the clues as to what remedies will be required and in what size packages. Let us put the question in more detail: (1) where is the succession problem of significant concern--in which Career Services and organizational units; (2) what is the nature of the problem below the Agency level--what will be the likely manpower effects of expected future changes within Career Services and Offices; (3) who are the employees affected by the succession problem--does the problem involve the Back-up Group only in a particular area or is the principal future impact to be found in the reverberations of accelerated personnel losses, such as the emergence of an unprepared, Intermediate Group or the specter of an inadequate number of young professionals entering on duty; and (4) how is the problem to be solved--will increased alertness do the job; will occasional preplanning of assignments suffice; should the occupational mix be changed; are more expenditures for personal development required; are new Agency-wide policies needed, etc.? It is apparent, even in the asking of these questions, that no one set of answers will apply to all Career Services and Offices since the what, who, where, when, and how vary significantly among these units and will vary within them from year to year.

No successful management succession program can be based on theoretical concepts alone, but any study attempting to cover all the possible variables involved in future personnel losses within the next five and ten years would become an impossible task. We must structure our studies of the succession problem at the outset so that resulting proposals and recommendations will neither be too abstract and formalistic or too detailed and ambitious.

We want to assure top management that a systematic approach will be taken throughout the Agency to identify succession problems wherever they exist. Analysis in depth will be limited, however, to only those factors that the Directorates and Career Services consider relevant to their particular areas, and our approach will supplement the planning already being done by the Career Services to identify and solve their succession problems. Accordingly, we believe the following steps should be taken in making the Agency-wide studies:

1. Prepare, as time and staff facilities within the Office of Personnel permit, a separate report for each Directorate showing the nature and severity of the succession problem within each Career Service in its area.

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2. Develop with Directorate and Career Service representatives a tailored plan of analysis applicable to their areas, using the guidelines in TAB B as possible items of study.
3. Dig in depth when necessary to ferret out specific problem areas within individual Career Services.
4. In concert with Career Service and Directorate representatives, prepare recommendations which would require Agency-wide action and summarize the internal actions that Career Services are taking or planning to take.

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TAB A

COMMON ELEMENTS OF A SUCCESSION PROGRAM

1. Objectives vary with organizations, but four are common to most organizations:
  - a. Staffing key jobs
  - b. Developing individual opportunities
  - c. Providing continuity of competency
  - d. Deploying manpower to increase effectiveness of organization
2. Program must be supported and participated in by all levels of management and will be if understood and need demonstrated.
3. System must look and plan ahead 5, 10 or more years.
4. Must identify managerial positions and people with potential for filling them.
5. Forecasting of long-range organizational structure, manpower needs and functional changes are bases for determining the future climate.
6. Must develop a methodology or system to ensure that individuals with management potential are routinely considered for assignments and training which will improve their qualifications and effectiveness.
7. Should evaluate background of managers to see why they became managers and what they have done well.
8. A good selection process is needed to obtain people with career potential.
9. Development of individuals and developmental programs should be tailored to meet specific needs (training programs often too broad or general).
10. Management potential should be evaluated as well as performance.

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TAB B

POSSIBLE STUDY ITEMS IN EACH DIRECTORATE  
AND CAREER SERVICE

1. Grid of senior personnel leaving and composition of Back-up Group.
  - a. Future departures of personnel in senior professional or managerial positions during the next 5 and 10 years (Retiree Group).
  - b. Reservoir of personnel in Back-up Group (GS-12's and 13s expected to move upward in vacated positions GS-14 and above).
  - c. Qualitative assessment of managerial and professional experiences of departees versus those possessed by personnel in Back-up Group (highlights of problems in specific Divisions or Branches when applicable).
  - d. Qualitative assessment of significant experience or training needed by personnel in Back-up Group (group dimension of problem and highlights of specific problem areas in Divisions and Branches when applicable).
2. Quantitative evaluation of personnel needed in Intermediate Group to meet needs in 5 and 10 years, arising from losses of personnel in Retiree and Back-up Groups.
3. Quantitative analysis of personnel needed in Entry Group to meet needs in 5 and 10 years, arising from losses in higher grade groups.
4. Feasibility of working with each Career Service to build a managerial model for its use as the basis of a continuing review of the developmental needs of personnel within the various grade groups. The models would vary substantially among Career Services and would include only those specifications of particular concern to them, e.g., type of technical background (accounting, economics, etc.); kinds of formal training that should be acquired; acceptable rates of progression over a career span; variety of assignments that an individual should have; balanced levels of desired staff versus line experience and overseas versus headquarters experience; types of appropriate supplementary job or substantive orientations, including brief stints outside the Career Service; supplementary technical skills desired (language, area experience, university graduate work, etc.); index of personal attributes of importance to the Career Service; and acceptable levels of personnel evaluations, including any identifications of factors of particular importance to the Career Service. Models would have to be the final product of the Career Service although assistance in initial drafting and monitoring of the Agency-wide effort could come from the Office of Personnel. Obviously, the elements of a model would only represent an ideal set.

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of norms desired by the Career Service for use as benchmarks in following employee development and work assignments.

5. Feasibility of obtaining from Career Services an identification of individuals who have potential for further managerial or professional development. This effort should be quite broad-based. For example, one approach might be to consider all GS-12s and GS-13s with potential for eventual managerial positions.
6. Feasibility of providing Career Services with an annual management profile on each of their careerists identified as having potential for further managerial development (it would emphasize the presence or lack of the specific norms contained in the Career Service managerial model).
7. Desirability of modifying our personal evaluation program to include factors for reporting on managerial potential.
8. Study the characteristic determinants of management potential having relevance to each Career Service (e.g., conceptual ability, adjustment to change, technical competency, ability to advocate views, managerial style and verbal skills).
9. Identification of areas in which immobility or superannuation inhibits operational effectiveness, such as size of family, general age level, lack of dynamism, etc. Study possibilities of using affected personnel elsewhere.
10. Identification of significant organizational and functional changes planned for the future within Directorates and components, as guides to future manpower needs. Identification of key managerial and professional positions that will become vacant in the next 10 years.
11. Determination of the applicability within the Agency of recognized techniques of managerial development and ascertaining what precise modifications or adaptations should be made in these techniques for them to have meaningful relevance, e.g., replacement charts, career paths, personnel inventories, rotation systems, long-range personnel projections, employee testing, employee coaching and separate managerial appraisal systems.
12. Determination of specialized internal or external training programs required in particular Career Services or Offices to keep personnel updated in their technical disciplines or broaden their perspective for higher responsibility, including substantive areas not previously encountered, e.g., familiarizing DDS&T personnel with new developments in their specialized fields or requiring economists to take additional graduate work. Review feasibility of approaching this

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problem at the Agency-level by using OTR and external facilities to meet requests for professional development of specified individuals upon recommendations of Career Service, proposed as a part of an integrated program of developing the managerial potential of its employees.

13. Systematic review of Agency personnel policies, programs and procedures, e.g., the mid-career and senior school programs, in order to determine what changes should be effected to meet the dimension of the succession problem in the next 5 and 10 years.

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TABLE 2

FOOTNOTES

- a/ This Table assumes that future losses in Grades GS-14 through 18 will be filled from the ranks of the Back-up Group (personnel in Grades GS-12 and GS-13 who will be in the Agency long enough to fill in behind departing personnel in the higher Grades). This assumption is essentially correct, although it obviously has less validity in DDS&T, where some direct hiring at higher levels occurs, or in the DCI where internal reassessments are used. (Replaced losses in the ODCI would have an impact, however, elsewhere in the Agency.) The real questions cannot be answered here and must remain the subject of future analysis; namely: (a) how much longer will individuals in the Back-up Group be available in their respective components and Career Services beyond the next 5 and 10 years, in order to assume future vacancies; and (b) will these personnel have sufficient experiences and qualifications to be fully proficient as they are asked to take on higher responsibilities?
- b/ Projected personnel losses for the Agency include estimated separations and all types of retirements (mandatory, optional, discontinued service and disability). All retirements other than mandatory  estimated in CY 1967-1971 for Grades GS-12 through GS-18 and  for such Grades in CY 1967-1976) are not contained in the Directorate totals since these data cannot be broken down below the Agency level. See TABLE 3 for further details.

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TABLE 3

FOOTNOTES

- a/ Figures for mandatory retirements, shown by grade groups, refer to employees expected to retire under present Agency policies--(age 60 with 20 or more years of service or age 62 with more than 5 but less than 20 years of service).
- b/ "Other retirements" in CY 1967-1971 are based on estimates prepared by PRS/OP of expected retirements in CY 1967-1971 for discontinued service, disability and optional election (before age 60 with 30 or more years of service under Civil Service Retirement and with 20 or more years under CIA Retirement). Although we could not break down these estimates by individual Grades, we estimated the portion of such projected retirements that would fall in the grade group GS-12 and GS-13 and the grade group GS-14 through GS-18.

It is presumed that disability and optional retirements will increase during CY 1972-1976 over the previous five-year period, e.g., the number of personnel eligible for retirement is expected to double in the second five-year period over the first. Such increases will have the effect, however, of decreasing the estimated number of personnel expected to mandatorily retire (under current Agency policies) in CY 1972-1976. In order to err on the conservative side, we decreased the number of optional, discontinued service and disability retirements from [redacted] in CY 1972-1976 (a total of [redacted] for the next 10 years).

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- c/ In order to construct a conservative estimate of losses for all reasons other than retirements, it is assumed that the annual number of separations other than retirements experienced within each Directorate in CY 1966 for each of the grade groups GS-12 through GS-18 will remain constant in each year during 1967-1976. Although this approach is conservative, it will suffice to demonstrate the dimension of the expected losses attributable to this factor, which in conjunction with expected retirements will show the expected losses of personnel in the various grade groups.

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Remarks:

I've held this paper in hopes of getting some notes written or having a chance to talk to you. I agree there is a most serious problem but I don't like the OP paper or at least the latter pages - after page 4.

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